

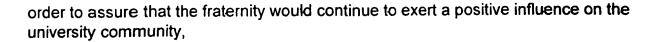
DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE WASHINGTON, D.C. 20224

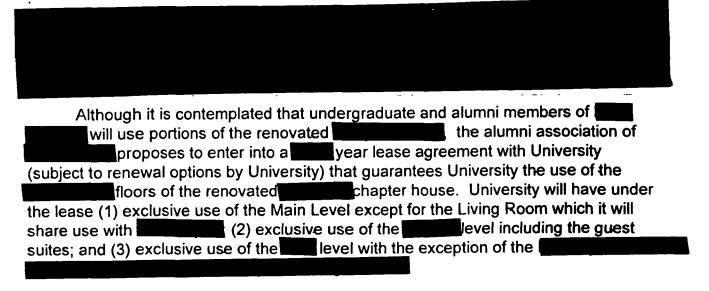
OCT 1 9 2000

CC:TEGE:EOEG:EO1:TJWolf

FREV-116339-00 MEMORANDUM FOR Acting Director, EO Rulings & Agreements Assistant Chief Counsel (Exempt Organizations/ FROM: Employment Tax/Government Entities) ("Foundation") SUBJECT: This is in response to your memorandum of August 24, 2000, in which you seek our concurrence that Foundation qualifies for an exemption under section 501(c)(3) of the Internal Revenue Code The information included in the underlying file indicates that Foundation will engage in two activities. The first will be granting an annual scholarship to a student enrolled at the second activity will at University be to provide funds to assist the to fulfill its educational activities. University has approximately students of which % are affiliated with Prior to a decision to close residential owned houses located on University land that was housing. leased to the corporation. Now, all houses are non-residential. Subsequent to the closing of the houses, University houses and converted them into student housing. Over University students presently live in a University housing complex known as the consisting of buildings that used to be houses located on was established at University in and its The residence () was constructed in on University property under a long-term lease through that is closest to the University campus. The the titleholder to the facility, has determined that it is necessary to upgrade the

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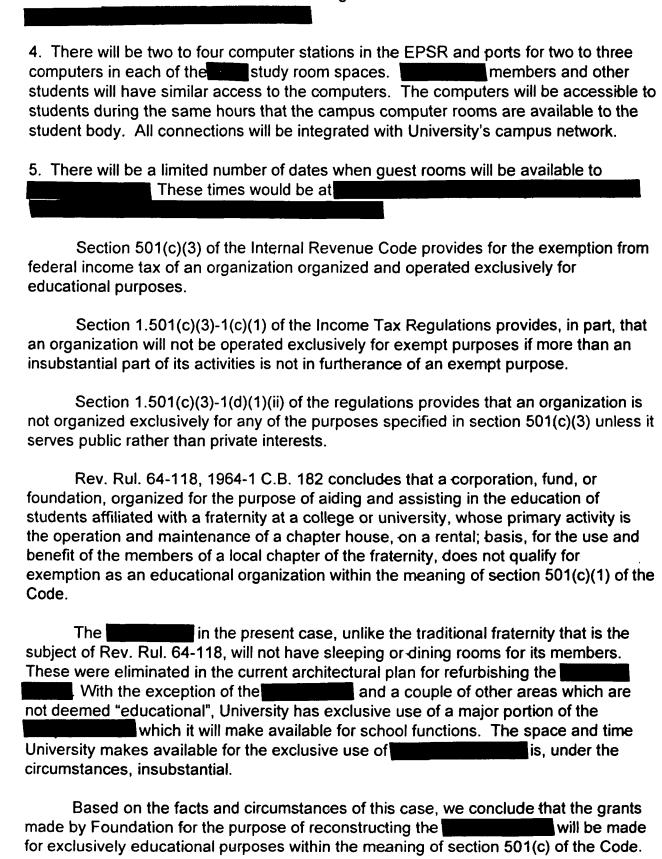


The portion to be financed by the Foundation grant will not exceed the costs involved in design or construction of areas to be used for "educational" purposes. Foundation will take measures to assure that the grant is used exclusively for its intended purposes by requiring the Alumni Association to execute a written commitment to use the grant in such a manner and to return any part of the grant not so used.

In addition, in its letter dated August 8, 2000, Foundation makes the following representations:

- 1. The Conference Room (Large Group Meeting Room) on the main floor will be used exclusively by University except for limited use by for such events like Homecoming and reunions.
- 2. The Educational Program Support Room (EPSR) will be used exclusively by University. The room will provide a walk-in location for students to use copy machines, a word processing service, long distance telephone directories, and fax machines.
- 3. There will be assigned to each room on a semester by semester schedule.

 percent of the study carrels will be used by and other carrels will be assigned based on requests by academic departments, the University honors program, or individual professors. All of these carrels will be available to students assigned during the same hours that other University public study areas are available.



If you have any further questions, please contact Thomas Wolf at 2-4123.

Mary Oppenheimer

By: James Brokaw

Chief,

Exempt Organizations Branch 1